

# Government of Canada Securities

CAL  
FN  
- G51

A Publication of the Department of Finance

January 2003

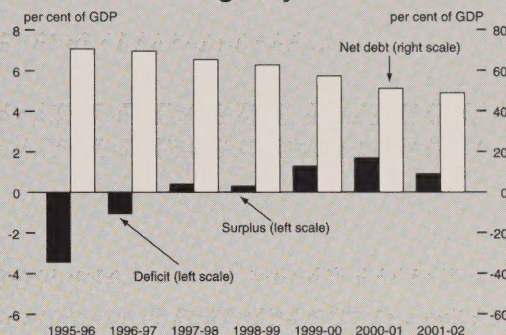
## Canadian Economy

### Selected Canadian economic statistics

			2002		
	2000	2001	Q1	Q2	Q3
<b>Annualized growth rates</b>			(per cent)		
Real GDP	4.5	1.5	5.7	4.4	3.1
Final domestic demand	4.0	2.5	3.7	4.4	2
Employment growth	2.6	1.1	2.8	3.7	3.4
<b>Other</b>					
Unemployment rate	6.8	7.2	7.8	7.6	7.6
Current account balance (percentage of GDP)	2.6	2.8	1.9	1.7	1.8

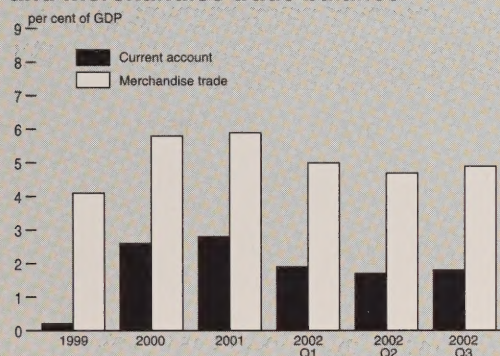
Source: Statistics Canada.

### Government of Canada net debt and budgetary balance



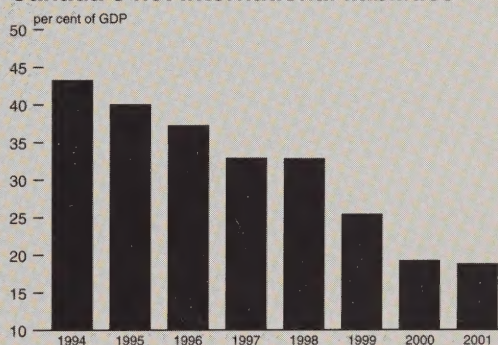
Source: Department of Finance.

### Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

### Canada's net international liabilities



Source: Statistics Canada.

### Upcoming economic data releases of interest

#### January

November Real GDP  
(January 31)

#### February

January Labour Force Survey  
(February 7)

January CPI  
(February 27)

December Real GDP  
(February 28)

National Economic and Financial Accounts  
September-December 2002  
(February 28)

#### March

February Labour Force Survey  
(March 7)

February CPI  
(March 21)

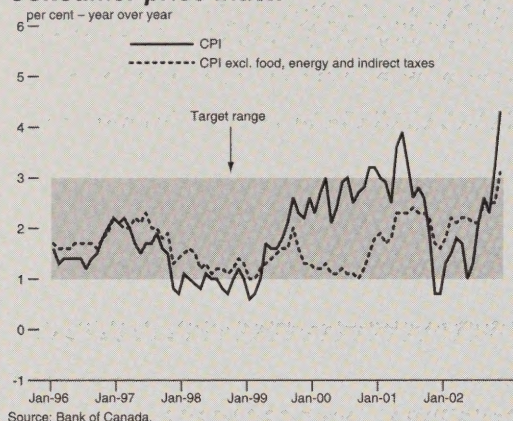
January Real GDP  
(March 31)



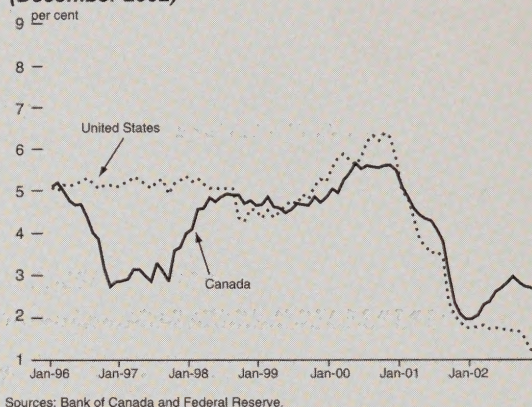
# Government of Canada Securities

## Canadian Economy

### Consumer price index



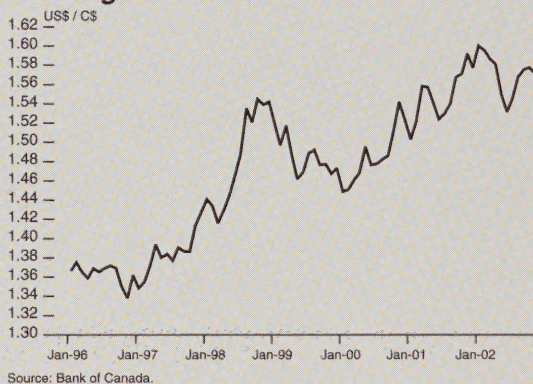
### 3-month Treasury bill rates (December 2002)



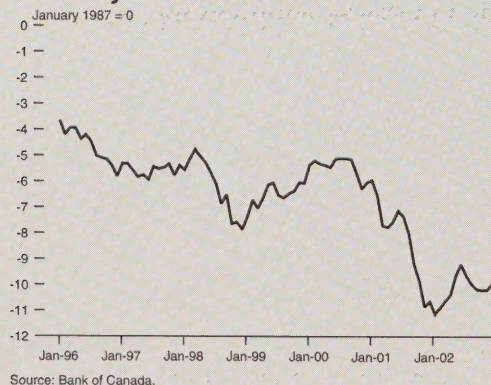
### 10-year government bond rates (December 2002)



### Exchange rate



### Monetary conditions index



### Canadian monetary aggregates

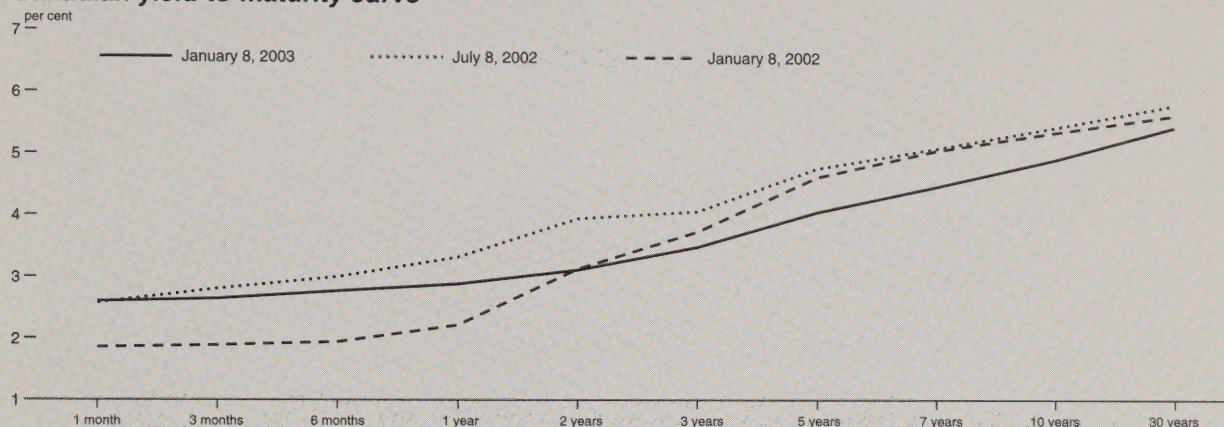




# Government of Canada Securities

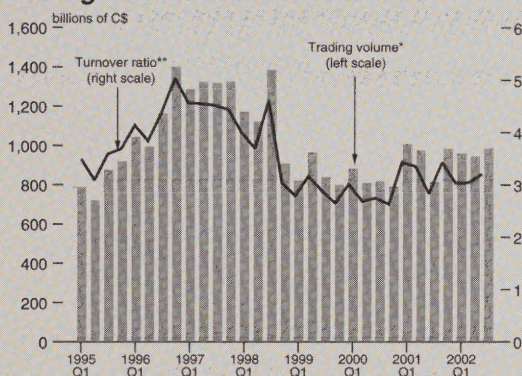
## Secondary Market

**Canadian yield-to-maturity curve**



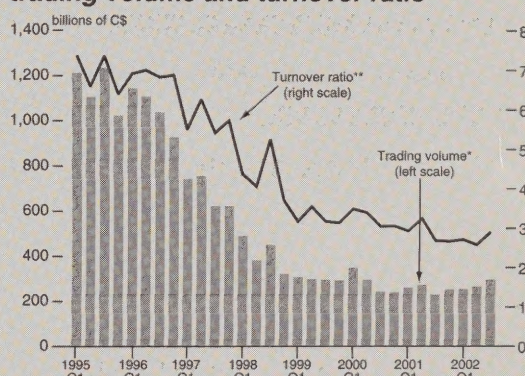
Source: Bank of Canada.

**Government of Canada bonds trading volume and turnover ratio**



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

**Government of Canada Treasury bills trading volume and turnover ratio**



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

### Government securities distributors

- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BMO Nesbitt Burns Inc. (marketable bonds only)
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CTI Capital Inc.
- Desjardins Securities
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- HSBC Bank Canada

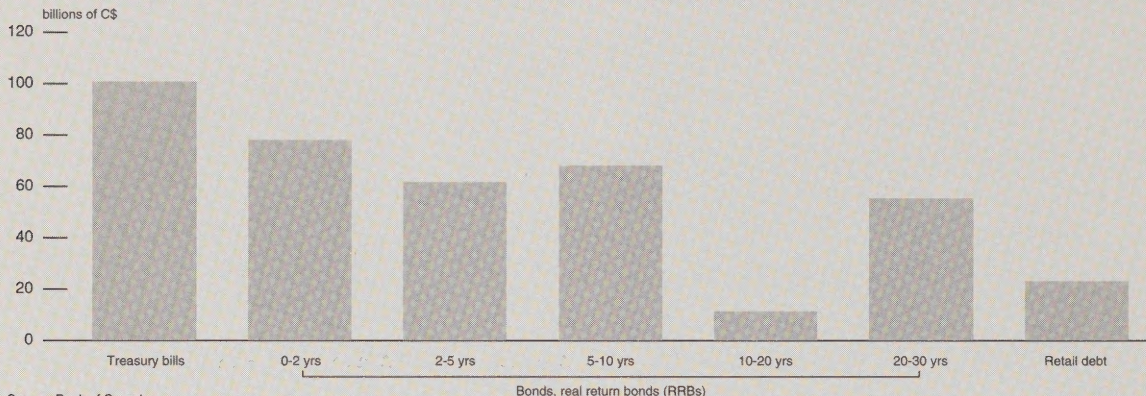
- Laurentian Bank Securities Inc.
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- National Bank Financial Inc.
- Ocean Securities Inc.
- Odium Brown Limited
- RBC Dominion Securities Inc.
- Resolution Capital Inc.
- Scotia Capital Inc.
- Société Générale Valeurs Mobilières Inc.
- The Toronto-Dominion Bank



# Government of Canada Securities

## Primary Market

### Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt



### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
Jan. 15, 2003	30	June 1, 2033	5.75	1,700	104.162	5.467	2.6	0.6
Dec. 4, 2002	30	Dec. 1, 2031	4***	400	110.807	3.410	2.998	n/a
Nov. 27, 2002	2	June 1, 2005	3.5	3,500	99.500	3.711	2.419	0.9
Nov. 13, 2002	5	Sept. 1, 2008	4.25	2,400	98.780	4.493	2.285	0.5
Oct. 30, 2002	10	June 1, 2013	5.25	2,400	99.476	5.316	2.277	1

\*Coverage is defined as the ratio of total bids at auction to the amount auctioned.

\*\*Tail is defined as the high accepted yield minus the average yield.

\*\*\*RRB.

Source: Bank of Canada.

### Upcoming Government of Canada bond auctions

Type of issue	Auction date (2003)	Further details of issue (2003)	Dated and delivered (2003)	Amount maturing*
				(millions of dollars)
10-year auction	February 5	January 30	February 10	-
5-year auction	February 19	February 13	February 24	-
2-year auction	March 5	February 27	March 7	-
30-year RRB auction	March 12	March 6	March 17	-

Note: In addition, this quarter eight operations are planned under the Government of Canada bond repurchase program. Four repurchase operations will be held in conjunction with each nominal bond auction, and four pilot switch repurchase operations will take place: one on January 30 in the 2-year sector, one on February 26 in the 30-year sector, one on March 19 in the 10-year sector, and one on March 26 in the 5-year sector. Further details will be released on the Thursday prior to these operations. The target amount for repurchase this quarter is \$3.6 billion.

\* Maturity of \$1,733 million on February 3, 2003.

Source: Bank of Canada.



# Government of Canada Securities

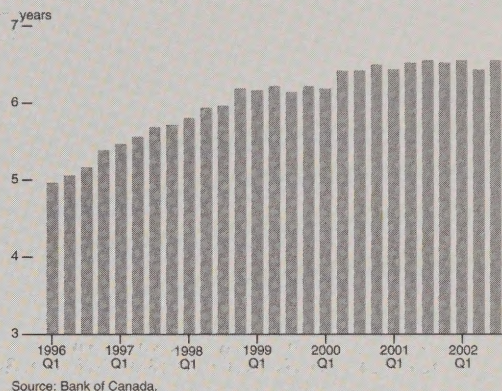
## Primary Market

### Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield
		(%)	(millions of dollars)	(Jan. 15, 2003)
<b>Fixed-coupon</b>				
2-year	Dec. 1, 2004	4.25	6,500	3.30
5-year	Sept. 1, 2007	4.50	10,400	4.16
10-year	June 1, 2012	5.25	11,600	5.01
30-year	June 1, 2029	5.75	13,900	5.49
<b>Real return</b>				
30-year	Dec. 1, 2026	4.25	5,250	3.23

Source: Department of Finance.

### Average term to maturity of Government of Canada marketable debt



### Upcoming Government of Canada marketable bond maturities

January-March 2003	April-June 2003	July-September 2003	October-December 2003
(millions of dollars)			
1,733	10,543	8,760	15,345

### Outstanding Government of Canada foreign currency debt (as of November 30, 2002)

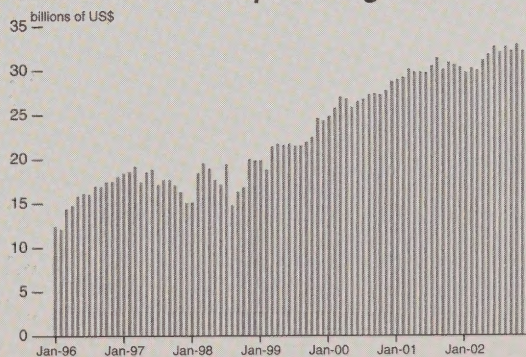
	(C\$ millions)*
Canada bills	2,662
Canada notes	1,275
Outstanding under EMTN program	3,227
5% US\$ bonds maturing February 19, 2003	3,130
6% US\$ bonds maturing November 30, 2004	3,130
6% US\$ bonds maturing July 21, 2005	2,348
6% US\$ bonds maturing August 28, 2006	1,565
6% NZ\$ bonds maturing October 3, 2007	390
4% EUR bonds maturing July 7, 2008**	3,180
5% US\$ bonds maturing November 5, 2008	3,913

\*At par value, adjusted for exchange rates as of November 29, 2002.

\*\*Original issue in Deutsche Marks was redenominated into euro on February 19, 1999.

Source: Bank of Canada.

### Canada's level of liquid foreign reserves





# Government of Canada Securities

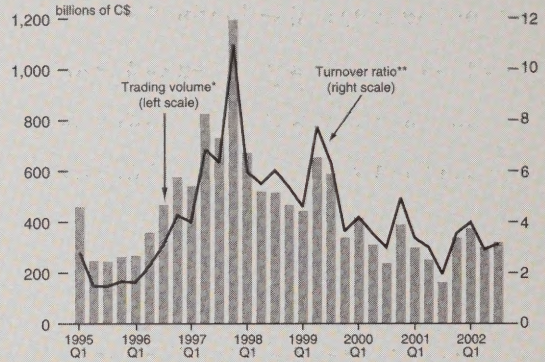
## Secondary Market

**Government of Canada bond repos trading volume and turnover ratio**



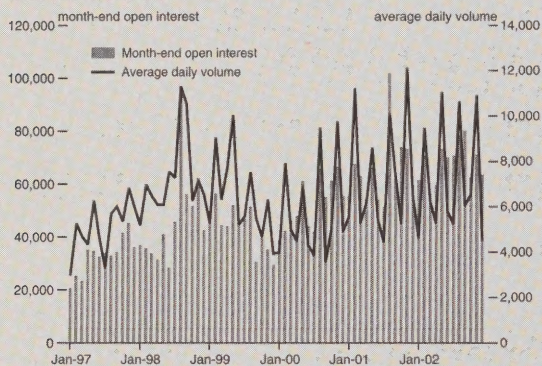
\*Trading volume is total trading volume in each quarter.  
\*\*Turnover ratio = total trading volume in each quarter/stock.  
Source: Bank of Canada.

**Government of Canada Treasury bill repos trading volume and turnover ratio**



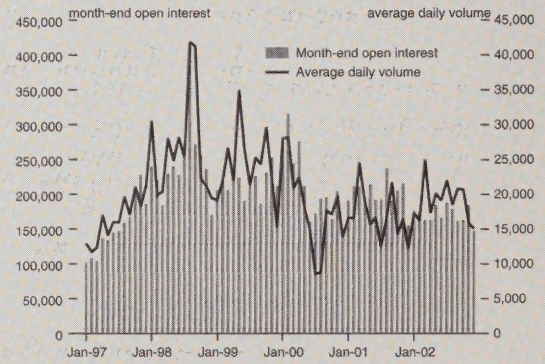
\*Trading volume is total trading volume in each quarter.  
\*\*Turnover ratio = total trading volume in each quarter/stock.  
Source: Bank of Canada.

**10-year Government of Canada bond futures**



Source: The Montreal Exchange.

**3-month bankers acceptance futures**



Source: The Montreal Exchange.

### Government of Canada long-term credit ratings

	Standard & Poor's	Moody's Investors Service	Dominion Bond Rating Service
	Current	Current	Current
<b>Domestic debt</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>
- Trend	Stable	Stable	Stable
<b>Foreign debt</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>
- Trend	Stable	Stable	Stable

This publication is also available on the Internet at [www.fin.gc.ca](http://www.fin.gc.ca).  
Except as noted, the information in *Government of Canada Securities* is based upon data available as of January 8, 2003.  
For further information, contact Brian Dell at (613) 992-6231.  
For additional copies or subscription inquiries, please contact the Distribution Centre at (613) 995-2855.

Ce document est également disponible en français.



Department of Finance  
Canada

Ministère des Finances  
Canada

